



OFFICE OF THE GOVERNOR

November 22, 2021

The Honorable Lina Khan
Chair
Federal Trade Commission
Washington, D.C.

Dear Chair Khan:

I am writing to communicate my strong support of President Biden's letter of November 17, 2021, regarding gasoline price irregularities, and to provide additional information for your review.

As made clear in the President's letter, the country is experiencing significant increases in the price of gasoline while oil and gas company costs are down and profits are up, raising a question of whether anti-competitive or illegal conduct is occurring. I share the President's concern.

Two years ago, I requested a study of potential irregularities in California retail gasoline prices and received the enclosed analysis prepared by the California Energy Commission. This analysis showed that retail margins in California for name brand retailers, such as 76, Chevron, and Shell, significantly exceeded national trends.

Shortly thereafter, I requested an investigation by the California Attorney General, asking him to evaluate the Energy Commission's analysis and determine whether oil companies in California were engaged in illegal conduct, driving prices at the pump higher and increasing their own profits. The Attorney General's office has an ongoing investigation relating to gasoline prices.

Meanwhile, gasoline price discrepancies persist, and the cost burden is even more acute now, as Californians recover from the COVID-19 pandemic and begin resuming travel and other activities.

In California, we are undertaking unprecedented, comprehensive efforts to reduce demand for oil and gas. While this work is underway, however, gasoline is still an essential fuel for most families. Action is needed to ensure consumers in California, as well as our sister states, are protected and are not bearing the cost of wrongful conduct. I respectfully join the President in requesting your attention to this critical matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gavin Newsom', with a long horizontal line extending to the right.

Gavin Newsom
Governor of California